

**INTERNAL AUDIT REPORT
2022/2023 - ANNUAL RETURN
FRAMWELLGATE MOOR PARISH COUNCIL**

1. Background

- 1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities.
- 1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report, which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls.
- 1.3. CDALC had previously provided Councils with an audit checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

2. Objectives of the Audit

- 2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Work and the areas of Audit Work examined.

- 3.1. The Scope of Work covers the ten key control tests identified in the annual return.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by Internal Audit:
- Payroll
 - Creditors
 - Risk Management
 - Income collection and Banking arrangements
 - Accounting records,
 - Assets
 - Debtors
 - Budgetary Control (including year end procedures)
- 3.3. The audit findings of this report have been discussed with the Clerk of the Council and Chair of the Council any audit recommendations have been agreed with them.

4. Findings

4.1. Payroll

- 4.1.1. The Parish Council has 2 employees who work standard hours with the payroll information completed using the HMRC payroll system.
- 4.1.2. All payroll information was checked for the year and was processed correctly, and the amounts were found to be correctly paid and recorded in the accounts.

4.2. Creditors

- 4.2.1. There is no separation of duties at Framwellgate Moor Parish Council as the Clerk is the only Officer responsible for Finance and Administration. Compensating checks are carried out by the Members and Financial Regulations outline the system which is to be followed.
- 4.2.2. The Council uses Rialtus finance system for recording all payments and the Cash Book 1 report for